

TALKING POINTS

- 66% OF GRAIN EXPORTS TRAVEL THE UPPER MISSISSIPPI RIVER BASIN (Source: USDA)
- MOST ENVIRONMENTALLY FRIENDLY MODE OF TRANSPORTATION - CAN MOVE MORE WITH LESS AIR POLLUTION, NOISE, FOSSIL FUEL USAGE, ACCIDENTS
- CREATES JOBS (SPECIFY TO STATE / COUNTY) – IN THE NATION THE UPPER MISSISSIPPI RIVER SYSTEM SUPPORTS 400,000 JOBS, 90,000 MANUFACTURING JOBS SUPPORTED (Source: Price Waterhouse & Mercer Consulting)
- LOWER CONSUMER GOOD PRICES (e.g. \$0.10/gal increase for gas - Source: Ashland Oil)
- HISTORICALLY, FOR EVERY \$1 INVESTED IN THE INLAND WATERWAY SYSTEM THERE HAS BEEN A \$6 RETURN TO THE NATION (Source: U.S. Corps of Engineers)
- INEXPENSIVE TRANSPORTATION IS THE ONLY REASON AMERICA IS COMPETITIVE ON THE WORLD GRAIN MARKET
- THE CORPS
 - They have not made any recommendations yet
 - Length the study has been going on – 8 Years
 - Need to get going – International Competition is surpassing the U.S. with improvements to their infrastructure:
- FOREIGN COMPETITION
 - China – \$12 Billion Waterway Project
 - South America – Argentina & Brazil have spent \$750 Million to dredge their rivers – have cut their transportation costs by ½ in 3 years
 - Europe - \$26 investment to improve their inland waterway system
- ENVIRONMENTAL CONCERNS
 - We support the “Environmental Management Plan (EMP)”
 - The Corps has already spent large amounts to study any potential environmental impacts to the river, with no conclusions (\$24 Million)
 - We support environmental mitigation in future legislation
 - If cargo shifts from the river to other modes of transportation (Remember to mention that we need other forms of transportation to do what they do best) what will happen:
 - Increased Traffic, Accidents, and air pollution with other forms of transportation OR
 - We loose competitive agricultural and the entire nation suffers with main street job loss, high-paying manufacturing job loss
- *Note for grower spokespeople:* Farmers are the most environmentally concerned citizens there are – they have to be to sustain their livelihood
- WELFARE FOR BARGE OWNERS / FARMERS
 - Discuss the direct beneficiaries of the Lock & Dam System:
 - Pools provide areas for hunting, fishing, recreational boating, fly ways for migratory birds, a reliable water supply for many cities, hydroelectric power, lessens potential impact during flooding season
 - Indirect beneficiaries include the entire area which benefits from the increased incomes for the entire region, main street merchants (see charts on how monies are spent)
 - Historically, \$1 invested into the inland waterway system nets \$6 of benefits to the nation
 - 50% of the monies from the Trust Fund which the Barge Industry has paid into (River Operators paying \$0.20/gal in fuel tax)
 - Since 1986, This area has put 40% into the trust fund and has received only 15% back (we’re all donor states)
- COST OF PROJECT (TAX PAYER DOLLARS)
 - Investment for the nation’s competitiveness
 - \$6 benefits for every \$1 put into the Inland Navigation System
 - Never use the word “taxes”

MARC 2000 Reaction to NE-MW Institute Report on Upper Miss Study

- No one agrees with any forecasts—OMB & CBO can't even agree on one year forecasts—so, we have as many opinions on forecasts as we have economists. While the issue of forecasts is of concern, the real driving force is the correct demand curves. With demand curves and tested model assumptions used by every other major study, whether the Corps used high growth or low growth forecasts, lock improvements would still be justified.
- Independent analysis conducted by Prof. Stephen Fuller (Texas A&M), an agricultural economist, for the National Corn Growers concludes that if seven 1200-foot locks are not built by 2020, Midwestern family farmers will lose over \$360 million per year. The last new construction project on the Upper Miss took 29 years to build from study phase to completion. We don't have the time to wait.
- Independent technical review of the Corps analysis conducted by Prof. Chris Hurt (Purdue University), another agricultural economist, indicated that in his opinion the traffic and grain forecast projections should be revised upward in the range of 5% - 20% to take into account expected changes in the market place. As a grain economist, he also indicated a whole range of suggested changes that would have addressed real market issues, but were neglected by Dr. Sweeney, the Corps technical manager.
- The risk to the nation of not modernizing the Upper Miss and Illinois Rivers as quickly as possible will doom agriculture's best opportunities to capture world growth anticipated through the multitude of major public policy initiatives of the last five years. Grain markets surge and retreat—if we don't capture the surges, we lose market share growth, as we have in the last two years in soybean exports. We cannot capture surges by waiting until the exports are manifest.
- Making a judgement on whether future investments are necessary without any real analysis is demeaning to the process. So now we have three independent economists who think investments for 26 locks aren't needed. So what, we're only evaluating the need for 7—they don't indicate any assessment of that proposal.